

FR-6-1560

SECRET

OCT 21 1954

MEMORANDUM FOR: Assistant Director for Personnel

SUBJECT: Federal Employees Group Life Insurance Act of 1954

1. Subject Act provides a plan of life insurance for all Federal employees except those excluded by law or regulation and except those who voluntarily waive coverage under the Act. One group of Agency employees is presently excluded from participating in this life insurance by Civil Service Commission regulations, which group consists of those employees whose duties involve the security of the United States and preclude their identification as employees of the Federal Government. The Agency was instrumental in having this exclusion adopted by the Civil Service Commission because of the security considerations inherent in the employment of certain staff agents under non-official cover. It was recognized that the processing of death claims for such individuals might well compromise the security of highly sensitive operations and endanger the lives of other individuals engaged in work closely associated with the deceased member. From the outset it was recognized, however, that should the Agency be able to establish within the Office of Federal Employees' Group Life Insurance a secure method of processing such claims, the exclusion would become unnecessary.

2. I have now determined that it is to the best interests of the Agency and of the individual staff agent so employed to afford insurance coverage under subject Act. I have directed the Deputy Director (Administration) to instruct the Comptroller to pay the appropriate premiums so as to provide the coverage established by subject Act to all presently excluded staff agents in accordance with the Act. The Comptroller will continue to pay the required premiums until the Agency has been able to communicate with each employee involved and determine whether coverage is desired. When a positive answer has been received, the Comptroller will cease paying the premiums and will be guided by the individual's desires. If the individual elects to receive insurance coverage, his pay account will be charged for coverage from 28 August 1954. If the individual declines to receive insurance coverage, no collection will be made for the period during which he has been covered.

3. I am aware of the possibility that in the event of the death of some of the staff agents involved the Agency might be unable or unwilling to admit affiliation of the deceased member with any part of the U. S. Government. With this possibility in mind, I am establishing the following procedure to be observed in the processing of a claim resulting from the death of any staff agent under non-official cover:

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